

TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE
March 14, 2014

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Testimony Supporting House Bill No. 5031

AN ACT CONCERNING THE BUDGET RESERVE FUND

Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer testimony on House Bill No. 5031, An Act Concerning the Budget Reserve Fund.

This Governor's bill offers a three-point plan for responsible fiscal management of the state's surplus in future years. The proposal allocates unappropriated surplus at the end of each fiscal year in amounts specified annually by law to:

- (1) The Budget Reserve Fund (the "Rainy Day Fund");
- (2) Reducing the long-term obligations or indebtedness of the state; and
- (3) Providing a refund to the taxpayers of the state.

Furthermore, the act increases the cap on the Budget Reserve Fund from ten percent to fifteen percent of the net General Fund appropriations for the fiscal year in progress. Raising the cap on contributions to the Rainy Day Fund by five percent will, if we are able to grow the fund to the new maximum, better ensure that Connecticut has the resources necessary to weather the next downturn. It is our belief that this legislation would require a three-fifths majority of each house per Article XXVIII of the amendments to the state's constitution.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request that the committee support this bill and I will be happy to answer any questions you may have.